



July 23, 2004

VIA FACSIMILE

Ms. Jennifer J. Johnson
Secretary, Board of Governors
Federal Reserve System
20th and Constitution Avenue NW
Washington, DC 20551
202/452-3819 (Fax)

RE: Docket No. OP-1196-Debit Card Study

Dear Ms. Johnson:

The Wisconsin Bankers Association (WBA) is the largest financial institution trade association in Wisconsin, representing over 300 state and nationally chartered banks, savings and loan associations, and savings banks located in communities throughout the state.

The WBA appreciates the opportunity to comment on the Federal Reserve Board's (FRB) request for information on whether existing disclosures required by the Electronic Fund Transfer Act (EFTA) adequately inform consumers of fees imposed by a financial institution that holds the consumer's account when using a debit card for a point-of-sale (POS) transaction.

The EFTA and Regulation E require the account-holding financial institution to disclose electronic fund transfer fees including those associated with debit card use to the consumer in initial disclosures and periodic statements. The FRB asks whether initial disclosures and periodic statements should be enhanced to include additional information or features related to debit card POS fees.

The WBA believes these existing disclosures very effectively inform consumers of fees associated with debit card POS transactions. In fact, we are unaware of any consumer complaints or confusion that lead us to conclude that the disclosures are ineffective, and therefore see no reason to change them. Simply stated, there is no need to fix something that is not broken.

With respect to initial disclosures, the WBA does not believe highlighting fees associated with debit card use is beneficial to a consumer. In fact, such a requirement could draw the consumer's attention away from fees that may be more relevant to the

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consumer's particular account usage. Thus, we reiterate our firm view that the initial disclosure requirements should not be changed.

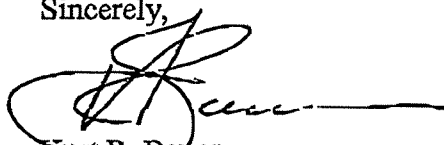
With respect to periodic statements, currently fees may be disclosed separately or in aggregate. The WBA believes that most financial institutions disclose fees separately rather than in aggregate; however, institutions should be left to choose between the two methods. For those that currently aggregate, a requirement to separately disclose such fees on the periodic statement will result in an added expense, which could be passed along to the consumer. In addition, we see no justifiable reason for a requirement to breakout on the statement the separate fees or the "source and recipient" of such fees. In fact, we are confident that consumers do not focus on who ultimately receives the fees in question. Instead, they are focused on their bottom-line. Therefore, we urge the FRB to retain the current requirements without alteration.

Along with the initial disclosures and periodic statement issues, the FRB asks whether receipts at POS terminals should be enhanced to include all debit card POS fees. Currently, the account-holding financial institution must arrange for the consumer to receive at the point-of-sale, a written receipt that sets forth, among other things, the "amount involved."

With respect to written receipts, the WBA does not believe the "amount involved" has been viewed as including a fee. We think it would be very difficult, if not impossible to disclose the account-holding institution's POS fee on a receipt at the time of the transaction, particularly when the terminal used at the point-of-sale is not operated by the institution. This would be no different than attempting to disclose the account-holding institution's ATM fee when the consumer is using an ATM not operated by the account-holding institution. When this ATM fee issue was undertaken four years ago by the General Accounting Office (GAO), it was determined that it would not be feasible to provide such a disclosure. The difficulties identified by the GAO in the ATM context are generally no different than those posed by a requirement to disclose debit card fees at the point-of-sale. Therefore, we strongly recommend that the existing requirements remain unchanged.

The WBA wishes to reemphasize that we are unaware of any consumer complaints or confusion that lead us to conclude the disclosure of these fees made under the current requirements are ineffective, and therefore see no reason to change them. We urge the FRB to carefully consider the recommendations we make today. The WBA appreciates the opportunity to provide information regarding debit card fee disclosures.

Sincerely,



Kurt R. Bader

Executive Vice President/CEO